

**STATE OF SOUTH CAROLINA**

**South Carolina Electric & Gas Company – Annual Request  
for Revised Rates**

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**COVER SHEET**

**DOCKET**

**NUMBER: 2010 - 157 - E**

(Please type or print)

**Submitted by:** K. Chad Burgess

**SC Bar Number:** 69456

**Address:** SCANA Corp.  
220 Operation Way MC C222  
Cayce, SC 29033

**Telephone:** 803-217-8141

**Fax:** 803-217-7810

**Other:** \_\_\_\_\_

**Email:** chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

☐ **Emergency Relief demanded in petition**      ☐ **Request for item to be placed on Commission's Agenda expeditiously**

☐ **Other:** \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input checked="" type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order		
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



K. Chad Burgess  
Assistant General Counsel

chad.burgess@scana.com

August 11, 2010

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk / Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

RE: Application of South Carolina Electric & Gas Company for Approval to Revise  
Rates under the Base Load Review Act  
Docket No. 2010-157-E

Dear Ms Boyd:

On July 30, 2010, the South Carolina Office of Regulatory Staff ("ORS") filed with the Public Service Commission of South Carolina ("Commission") a report entitled Report on South Carolina Electric & Gas Company's Annual Request for Revised Rates ("ORS Report") resulting from its review of the Annual Request for Revised Rates filed by South Carolina Electric & Gas Company ("SCE&G" or "Company") in the above-referenced docket. By letter dated August 10, 2010, ORS filed with the Commission certain revisions to its report ("ORS Letter"). Pursuant to S.C. Code Ann. § 58-33-280(E) (Supp. 2009), SCE&G hereby submits for filing the following written comments to the ORS Report as well as the ORS Letter.

SCE&G has carefully reviewed the ORS Report and concurs with the conclusions and adjustments it contains. Specifically, ORS reports that it has examined SCE&G's actual construction expenditures related to V.C. Summer Nuclear Station Units 2 & 3 (together, the "Units") and has determined that as of June 30, 2010, the Company has expended \$665,748,000 in construction work in progress ("CWIP") on the Units, and \$401,423,000 of that amount is currently not reflected in rates. In the ORS Report, ORS concluded that SCE&G's incremental retail revenue requirement for the purposes of the present revised rates request was \$47,571,000. SCE&G concurs with these findings and with ORS's conclusions as to the capital structure, allocation of additional revenue requirement, rate design and other matters contained in the ORS Report.

(Continued . . .)

After the ORS Report was issued, the South Carolina Supreme Court issued its opinion in South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm'n, Op. No. 26856 (S.C. Sup. Ct. filed August 9, 2010) (Shearouse Adv. Sh. No. 31 at 117) ("Opinion"). In the Opinion, the Court ruled that capital cost contingencies were not permitted as a part of approved capital cost forecasts under the Base Load Review Act. In response, the ORS Letter revised the ORS Report to indicate that \$2,277,000 in CWIP associated with contingency spending should be removed from the outstanding balance of CWIP for the Units, resulting in a total outstanding CWIP of \$399,146,000 for the purposes of this revised rates request. Based on that adjustment, the resulting revenue requirement for purposes of this revised rates request can be reduced by \$270,000 to \$47,301,000.

SCE&G concurs with the restatement of its revised rates request as set forth in the ORS Letter. Specifically, and in reliance on the terms of S.C. Code Ann. § 58-33-280(B), SCE&G requests that the \$2,277,000 in contingency spending be withdrawn from consideration in this revised rates request, resulting in a revenue requirement for purposes of this request of \$47,301,000. With regard to the future treatment of the \$2,277,000 in contingency spending, SCE&G intends to seek recovery of these costs in a future proceeding under the terms of the Base Load Review Act. *See, e.g.*, S.C. Code Ann. §§ 58-33-270(E), 58-33-275(E) and 58-33-280(B). Accordingly, SCE&G is not waiving its right to seek recovery of these costs in a future proceeding.

In conclusion, SCE&G agrees with ORS's Report as revised by the ORS Letter as to the revenue requirement, revenue allocation, rate design and other operative matters related to the current request for revised rates.

Thank you for your consideration of these matters.

Very truly yours,



K. Chad Burgess

KCB/kms

cc: Shannon Bowyer Hudson, Esquire  
Scott Elliott, Esquire  
(both via electronic and U.S. First Class mail)

Chris Brumfield  
Kristina Fallon  
(both via U.S. First Class mail)

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2010-157-E**

IN RE:

South Carolina Electric & Gas Company - )  
Annual Request for Revised Rates )  
\_\_\_\_\_ )

**CERTIFICATE  
OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Letter dated August 11, 2010** to the persons named below via First Class U.S. Mail:

Kristin Fallon  
113 Toula Lane  
Lexington, SC 29072

Chris Brumfield  
860 Robert E. Lee Blvd.  
Charleston, SC 29412

  
\_\_\_\_\_  
Karen M. Scruggs

Columbia, South Carolina  
This 11<sup>th</sup> day of August 2010

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2010-157-E**

IN RE:

South Carolina Electric & Gas Company - )	
Annual Request for Revised Rates )	
_____ )	
	<b>CERTIFICATE</b>
	<b>OF SERVICE</b>

This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Letter dated August 11, 2010** to the persons named below via electronic mail and First Class U.S. Mail:

Shannon Bowyer Hudson, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201  
[shudson@regstaff.sc.gov](mailto:shudson@regstaff.sc.gov)

Scott Elliott, Esquire  
Elliott & Elliott  
1508 Lady Street  
Columbia, SC 29201  
[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)

  
\_\_\_\_\_  
Karen M. Scruggs

Columbia, South Carolina  
This 11<sup>th</sup> day of August 2010